

Exploding The Phone

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Bibliographic Cover Sheet

db887

Title	FBI File 166-HQ-1765, Alvin Bubis, et al., ITAR-Gambling; ITWP; FBW-Conspiracy, portions concerning Clement, Salathiel, and Hoffman (sections 6-9)
Date	1966-00-00
Abstract	Portions of FBI file 166-HQ-1765 (a multi-subject file on the May, 1966 blue box arrests) concerning Virgil Salathiel, Gray Hoffman, and Carl Clement. Sections 6-9.
Keywords	Virgil Salathiel; Gray Hoffman; Carl Clement; May 1966 raids; blue box; FBI
Notes	See also db880.
Source	FBI via FOIA

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U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

June 18, 2008

Subject: HOFFMAN, GRAY

FOIPA No. 1065665- 000

Dear Requester:

The enclosed documents were reviewed under the Freedom of Information/Privacy Acts (FOIPA), Title 5, United States Code, Section 552/552a. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Form OPCA-16a:

Section 552

- (b)(1)
 (b)(2)
 (b)(3) FRCP, rule 6(e)

- (b)(7)(A)
 (b)(7)(B)
 (b)(7)(C)
 (b)(7)(D)
 (b)(7)(E)
 (b)(7)(F)
 (b)(8)
 (b)(9)

Section 552a

- (d)(5)
 (j)(2)
 (k)(1)
 (k)(2)
 (k)(3)
 (k)(4)
 (k)(5)
 (k)(6)
 (k)(7)

193 page(s) were reviewed and 30 page(s) are being released.

- Document(s) were located which originated with, or contained information concerning other Government agency(ies) [OGA]. This information has been:
 referred to the OGA for review and direct response to you.
 referred to the OGA for consultation. The FBI will correspond with you regarding this information when the consultation is finished.
- You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office of Information and Privacy, U.S. Department of Justice, 1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001 within sixty days from the date of this letter. The envelope and the letter should be clearly marked "Freedom of Information Appeal" or "Information Appeal." Please cite the FOIPA number assigned to your request so that it may be easily identified.
- The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown, when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

See additional information which follows.

Sincerely yours,



David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosure(s) 2

Enclosed are documents from FBIHQ file number 166-1765 (sections 6-9). Pursuant to Title 28, Code of Federal Regulations, Sections 16.11 and 16.49, there is a fee of ten cents per page for duplication. To expedite your request, this material is being sent in advance of your payment. At this time, we requesting payment in the amount of \$3.00 payable to the Federal Bureau of Investigation for this interim release of pages. To insure proper identification for your request, please return this letter or include FOIPA number 1065665 on your check or money order.

This is the final interim release.

Please be advised that the enclosed documents are maintained in a multiple subject investigation of which your subjects Gray Hoffman, Vigil Salathiel, and Carl Lovelace Clement were indexed as three of the subjects. In processing such a case pursuant to a FOIPA request, it is the practice of the FBI to address only that portion which specifically pertains to them rather than information pertaining to other subjects.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute(A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could be reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could be reasonably expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ COVER SHEET

Total Deleted Page(s) ~ 66

Page 87 ~ b6, b7C, b7D
Page 88 ~ b6, b7C, b7D
Page 89 ~ b6, b7C
Page 90 ~ b6, b7C
Page 91 ~ b6, b7C
Page 92 ~ b6, b7C
Page 93 ~ b6, b7C
Page 94 ~ b6, b7C, b7D
Page 95 ~ b6, b7C, b7D
Page 96 ~ b6, b7C, b7D
Page 97 ~ b6, b7C, b7D
Page 98 ~ b6, b7C, b7D
Page 99 ~ b6, b7C, b7D
Page 100 ~ b6, b7C, b7D
Page 101 ~ b6, b7C, b7D
Page 102 ~ b6, b7C, b7D
Page 103 ~ b6, b7C, b7D
Page 104 ~ b6, b7C, b7D
Page 157 ~ b6, b7C, b7D
Page 273 ~ b6, b7C, b7D
Page 274 ~ b6, b7C, b7D
Page 275 ~ b6, b7C, b7D
Page 276 ~ b6, b7C, b7D
Page 277 ~ b6, b7C, b7D
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Page 280 ~ b6, b7C, b7D
Page 281 ~ b6, b7C, b7D
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Page 284 ~ b6, b7C, b7D
Page 285 ~ b6, b7C, b7D
Page 286 ~ b6, b7C, b7D
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Page 288 ~ b6, b7C, b7D
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Page 290 ~ b6, b7C, b7D
Page 291 ~ b6, b7C, b7D
Page 292 ~ b6, b7C, b7D
Page 293 ~ b6, b7C, b7D
Page 294 ~ b6, b7C, b7D
Page 295 ~ b6, b7C, b7D
Page 307 ~ b6, b7C, b7D
Page 308 ~ b6, b7C, b7D

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Page 314 ~ b6, b7C, b7D
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Page 331 ~ b6, b7C, b7D
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Page 113 ~ b7D
Page 114 ~ b7D
Page 115 ~ b7D
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Page 117 ~ b7D
Page 118 ~ b7D
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Page 149 ~ b7D
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Page 151 ~ b7D
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Page 154 ~ b7D
Page 155 ~ b7D
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Page 166 ~ b7D
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Page 169 ~ b7D
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Page 172 ~ b7D
Page 173 ~ b7D
Page 174 ~ b7D
Page 255 ~ b7D
Page 256 ~ b7D
Page 257 ~ b7D
Page 258 ~ b7D
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Page 275 ~ b7D
Page 276 ~ b7D

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Page 282 ~ b7D

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN LOS ANGELES	DATE 5/31/67	INVESTIGATIVE PERIOD 3/23/67 - 5/22/67
TITLE OF CASE JOSEPH PETER SOLDIS; CARL LOVELACE CLEMENT		REPORT MADE BY [Redacted]	TYPED <i>b6 b7c ka</i>
		CHARACTER OF CASE FBW	

go REFERENCES: Los Angeles airtel to Detroit dated 3/30/67.
 Detroit airtel to San Francisco dated 4/6/67.
 San Francisco airtel to Los Angeles dated 4/12/67.

- P -

ADMINISTRATIVE

For the information of the Bureau, AUSA STEVEN D. MILLER, U.S. Attorney's Office, Los Angeles, California, who was handling this case, has resigned. When the case has been re-assigned to another AUSA, further contacts will be made concerning prosecutive opinion.

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED <i>W.W.</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:	<i>166-1765-1200 REC-4</i> <i>3 - Bureau (166-1765)</i> <i>1 - USA, Los Angeles</i> <i>2 - Los Angeles (166-507)</i>		
Dissemination Record of Attached Report		Notations <i>TAC SAC SPK/PERIODIC</i>	
Agency	Dept		
Request Recd.	1		
Date Fwd.	6-7-67		
How Fwd.	O-6 761		
By	5PM: JMK		

67 JUN 14 1967

LA 166-507

LEADS

LOS ANGELES

AT LOS ANGELES, CALIFORNIA: Will attempt to locate
and interview [redacted] concerning long distance telephone
calls from [redacted] when he was in
Marietta, Georgia, in 1966.

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(2) Will maintain contact with the U.S. Attorney's
Office, Los Angeles, California, concerning the presentation
of this case to the Federal Grand Jury.

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COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of: [redacted] **Office:** Los Angeles, California
Date: 5/31/67

Field Office File #: 166-507 **Bureau File #:** 166-1765

Title: JOSEPH PETER SOLDIS;
CARL LOVELACE CLEMENT

Character: FRAUD BY WIRE

Synopsis: In March, 1967, AUSA STEVEN D. MILLER advised that he planned to present facts of cases involving CARL LOVELACE CLEMENT and [redacted] to FGJ on 4/13/67, in an effort to obtain an indictment to test the applicability of the Fraud by Wire Statute concerning the use of multi-frequency tone devices. On 4/13/67, representatives of the Pacific Telephone and Telegraph Company, Los Angeles, California, appeared before the FGJ to present information concerning the use of multi-frequency tone devices. On 4/13/67, AUSA MILLER stated that after he reviews reports concerning CLEMENT and [redacted] will present additional information to the Grand Jury. [redacted]
Sunnyvale, California, recalled receiving telephone calls from a representative of the Escoa Corporation, Gardena, California, when he resided at Atlanta, Georgia.

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[redacted]
- P -

DETAILS

On March 23, 1967, SA's [redacted] met with Assistant United States Attorney STEVEN D. MILLER, United States Attorney's Office, Federal Building, Los Angeles, California, for the purpose of discussing cases involving JOSEPH PETER SOLDIS, CARL LOVELACE CLEMENT and [redacted] stated that he had [redacted]

LA 166-507

not had an opportunity to review previously submitted reports concerning SOLDIS, CLEMENT and [redacted] but based on his knowledge of the cases, he planned to present facts involving CLEMENT and [redacted] to the Federal Grand Jury on April 13, 1967, in an effort to obtain an indictment to test the applicability of the Fraud by Wire Statute concerning the use of multi-frequency tone devices.

On April 12, 1967, SA's [redacted] again met with Assistant United States Attorney STEVEN D. MILLER. MILLER stated that he had not yet reviewed reports submitted concerning CLEMENT and [redacted]. He stated, however, that he wished to make a preliminary presentation concerning the use of multi-frequency tone devices to the Federal Grand Jury on April 13, 1967.

On April 13, 1967, [redacted] Chief Special Agent, and [redacted] Los Angeles, California, appeared before the Federal Grand Jury to present facts concerning the use of multi-frequency tone devices.

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On April 13, 1967, Assistant United States Attorney MILLER advised SA's [redacted] that after he has reviewed reports concerning CLEMENT and [redacted] he will consider presenting the facts to the Federal Grand Jury in an effort to indict CLEMENT and [redacted] for violation of the Fraud by Wire Statute in connection with their use of the multi-frequency tone device.

[redacted] advised SA [redacted] on April 6, 1967, that [redacted] then resided at [redacted] Sunnyvale, California.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN LOS ANGELES	DATE 6/21/67	INVESTIGATIVE PERIOD 3/23/67 - 6/19/67
TITLE OF CASE [redacted]		REPORT MADE BY SA [redacted]	TYPED BY 11m b6 b7c
		CHARACTER OF CASE ITAR; FBW	

Randy

REFERENCES: Seattle letter to Los Angeles dated 7/20/66.
Report of SA [redacted] at Los Angeles dated 8/15/66.

- P -

ADMINISTRATIVE

For the information of the Bureau, AUSA STEVEN D. MILLER, USA's Office, Los Angeles, California, who was handling this case has resigned. When the case has been reassigned to another AUSA, further contacts will be made concerning prosecutive opinion.

The period of this report includes frequent contacts with the USA's Office to determine reassignment, the latest contact being made on 6/19/67.

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW																					
COPIES MADE:	<p>166-1765-201 REC 36</p> <hr/> <p>EX 103</p> <hr/> <p>9 JUN 22 1967</p> <hr/> <p>6/21/67</p>																						
<p>Dissemination Record of Attached Report</p> <table border="1"> <thead> <tr> <th>Agency</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Request Recd.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Date Fwd.</td> <td>CC, AAC, Criminal Division,</td> <td></td> <td></td> </tr> <tr> <td>How Fwd.</td> <td>Organized Crime & Racketeering Section</td> <td></td> <td></td> </tr> <tr> <td>By</td> <td>6/21/67</td> <td></td> <td></td> </tr> </tbody> </table> <p>Notations</p> <p><i>YARD BLDG STAFF REC 36 6/21/67</i></p>				Agency				Request Recd.				Date Fwd.	CC, AAC, Criminal Division,			How Fwd.	Organized Crime & Racketeering Section			By	6/21/67		
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How Fwd.	Organized Crime & Racketeering Section																						
By	6/21/67																						

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of:
Date:

SA [redacted]

6/21/67

Office: Los Angeles, California

Field Office File #: 166-505

Bureau File #: 166-1765

Title: [redacted]

Character: INTERSTATE TRANSPORTATION IN AID OF RACKETEERING;
FRAUD BY WIRE

Synopsis: In March, 1967, AUSA STEVEN D. MILLER advised that he planned to present facts of the cases involving [redacted] and CARL LOVELACE CLEMENT to FGJ on 4/13/67 in an effort to obtain an indictment to test the applicability of the Fraud by Wire statute concerning the use of multi-frequency tone devices. On 4/13/67 representatives of the Pacific Telephone and Telegraph Company, Los Angeles, California, appeared before the FGJ to present information concerning the use of multi-frequency tone devices. On 4/13/67 AUSA MILLER stated that after he reviews reports concerning [redacted] and CLEMENT he will present additional information to the FGJ. [redacted]

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[redacted] arrested in March, 1966, by local authorities for illegal use of "blue box," purchased device from MAHAN. [redacted] furnished check alleged to be payment for "blue box" to arresting officers. Transcriptions of multi-frequency calls from telephone subscribed to by [redacted] and Aeromethods Engineering Corporation set out.

- P -

DETAILS:

On March 23, 1967, SA's [redacted] met with Assistant United States Attorney STEVEN D. MILLER, United States Attorney's Office, Federal Building, Los Angeles, California, for the purpose of discussing cases involving JOSEPH PETER SOLDIS, CARL LOVELACE CLEMENT, and [redacted] stated that he had not had an [redacted]

LA 166-505

opportunity to review previously submitted reports concerning SOLDIS, CLEMENT, and [redacted] but based on his knowledge of the cases, he planned to present facts involving CLEMENT and [redacted] to the Federal Grand Jury on April 13, 1967, in an effort to obtain an indictment to test the applicability of the Fraud by Wire statute concerning the use of the multi-frequency tone devices.

On April 12, 1967, SA's [redacted]
[redacted] again met with Assistant United States Attorney STEVEN D. MILLER. MILLER stated that he had not yet reviewed reports submitted concerning CLEMENT and [redacted]. He stated, however, that he wished to make a preliminary presentation concerning the use of multi-frequency tone devices to the Federal Grand Jury on April 13, 1967.

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On April 13, 1967, [redacted] Chief Special Agent, and [redacted] Los Angeles, California, appeared before the Federal Grand Jury to present facts concerning the use of multi-frequency tone devices.

On April 13, 1967, Assistant United States Attorney MILLER advised SAs [redacted] that after he has reviewed reports concerning CLEMENT and [redacted] he will consider presenting the facts to the Federal Grand Jury in an effort to indict CLEMENT and [redacted] for violation of the Fraud by Wire statute in connection with their use of the multi-frequency tone device.

LA 166-505

[redacted] was present at [redacted]
residence and was also arrested. [redacted] was prosecuted
by the Orange County District's Attorney's Office
and plead guilty to a misdemeanor charge of wiretapping.

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[redacted] stated that he is acquainted with
JOE SOLDIS and CARL CLEMENT but is not aware of either
of them owning or using a "blue box".

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765)

FROM : SAC, LOS ANGELES (166-507)

SUBJECT: JOSEPH PETER SOLDIS;
CARL LOVELACE CLEMENT
FRAUD BY WIRE

DATE: 9/29/67

Re report of SA [redacted] dated 5/31/67,
at Los Angeles.

On 8/9/67, AUSA BYRON KOHN, U. S. Attorney's office, Los Angeles, California, advised that he anticipated presenting additional information concerning captioned case and a case captioned, [redacted], aka. ITAR; Fraud By Wire," LA file 166-505, Bufile 166-1765 on 8/18/67.

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Following the Grand Jury hearings on 8/18/67, AUSA KOHN requested additional interviews of potential witnesses and dates concerning certain information recorded by the Pacific Telephone Company, Los Angeles. On 8/22/67, AUSA KOHN requested that [redacted] involving SOLDIS and CLEMENT, which was [redacted]. He also stated that USA BYRNE is reluctant to indict in these cases at this time, but that he, KOHN, plans to complete the work on the case and again discuss the indictment with USA BYRNE.

② - Bureau
4 - Los Angeles
(2 - 166-505)
BFJ/mjg
(6)

REC 54

166-1765-213

EX-108

8 OCT 3 1967

NINE

57 OCT 11 1967

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: [REDACTED]

ALSO KNOWN AS;

ET AL.

INTERSTATE TRANSMISSION OF
WAGERING INFORMATION;
FRAUD BY WIRE - CONSPIRACY

DATE: November 7, 1967

JHK 2-1
Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

The Los Angeles Office is origin in a nationwide investigation involving the use, centered at Los Angeles, California, of an electronic device known as a "blue-box." This device is a multifrequency tone generator by which the normal telephone company automatic billing equipment can be by-passed and long-distance lines utilized at will by the operator of the "blue-box."

Telephone company computerized equipment detected that company lines were in some way being misused. A company security agent cut into suspect's lines and when it was determined that illegal traffic was trespassing on company lines, monitored and taped conversations from December 23, 1965, to March 24, 1966.

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We had no knowledge of any telephone company surveillance until company officials reported to the United States Attorney at Los Angeles that it had monitored conversations by persons who were illegally using telephone company lines and that this traffic apparently involved interstate gambling operations.

The United States Attorney at Los Angeles subpoenaed the [REDACTED] and our Los Angeles Office, using them, developed a number of interstate gambling and Fraud By Wire cases.

On May 25, 1966, twenty subjects were arrested throughout the nation, including some of the top gamblers in the country. Other telephone cheaters who were not gamblers, were arrested for Fraud By Wire violations.

On August 15, 1966, [REDACTED] of the "blue-boxes" was convicted in United States District Court, Los Angeles, California. He appealed his conviction to the Ninth Circuit Court of Appeals at Los Angeles.

REC-68 166-1765-221

- 361
1 - Mr. DeLoach
1 - Mr. Bishop
1 - Mr. Casper

54 NOV 7 1967

PJB:sga

(8) COPY MADE FOR MR. TOLSON

CONTINUED OVER

NOV 9 1967

Memorandum to Mr. DeLoach
Re: [redacted]

The Ninth Circuit Court of Appeals has reversed the conviction of [redacted] and ordered his indictment dismissed. This reversal was based on the reasoning that, while the telephone company had the right to police its lines and monitor illegal traffic, the telephone company had spent an unreasonable length of time doing so and its evidence was thereby rendered inadmissible. The court was not sure--and evaded deciding--whether the telephone company should be allowed to disclose to prosecutive authorities the existence of monitored conversations. The court was equally not quite sure that the contents of the conversations could be used for the purpose of convicting trespassers on long-distance lines of interstate gambling violations. Expressing regret, therefore, that such would allow the subject to "go unwhipped of justice" the conviction was reversed.

This decision appears to be the result of tortured reasoning and [redacted] of the Organized Crime and Racketeering Section of the Department has advised a rehearing of the matter before the entire Ninth Circuit Court of Appeals is being requested.

ACTION:

For information. You will be kept advised of further developments.

MP 2/2 JWS
Lester M. Wolf

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN LOS ANGELES	DATE 11/8/67	INVESTIGATIVE PERIOD 5/31/67 - 11/1/67
TITLE OF CASE JOSEPH PETER SOLDIS; CARL LOVELACE CLEMENT		REPORT MADE BY [Redacted]	TYPED BY rah
		CHARACTER OF CASE FBW	

J.W. 10/2 b6 b7C

REFERENCES: Report of S [Redacted] dated 5/31/67 at Los Angeles.
Los Angeles airtels to Dallas dated 7/13/67 and 8/11/67.
Dallas airtel to Los Angeles dated 8/15/67.

- P* -

ADMINISTRATIVE

The period of this report includes frequent contact with AUSA's Office, Los Angeles, for the purpose of determining prosecutive action contemplated by the U. S. Attorney.

On 10/19/67, this case was submitted to U. S. Attorney W. MATTHEW BYRNE, Jr. Mr. BYRNE decided that an indictment in this case should be held in abeyance until a ruling is made by the

ACCOMPLISHMENTS CLAIMED						ACQUIT-TALS	CASE HAS BEEN:
CONVIC	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
							PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
							PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED [Signature]	COPIES MADE: ③ Bureau (166-1765) 1 - USA, Los Angeles 2 - Los Angeles (166-507)	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
			166-1765-223 REC 51	EX-113
			NOV 13 1967	

Dissemination Record of Attached Report				Notations
Agency				
Request Recd.	11/8/67	CC, AAG, Criminal Division,		
Date Fwd.		Organized Crime & Marketing Section		
How Fwd.	Room 2524	"		
By	79 NOV 28 1967			

11/2/67 NAME: STAN BECK S.B.

LA 166-507

Ninth Circuit Court of Appeals in the case involving ALVIN
[redacted] in which evidence was
gathered in a similar matter to that in this case.

Since no further action is to be taken in the case
until a ruling has been made by the Appelate Court in the
[redacted] case, this case is being placed in a pending inactive
status.

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b7C

- B* -
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of: [redacted] Office: Los Angeles, California
Date: 11/07/01

Field Office File #: 166-507

Bureau File #: 166-1765

Title: JOSEPH PETER SOLDIS;
CARL LOVELACE CLEMENT

Character: FRAUD BY WIRE

Synopsis: Transcriptions of telephone conversations recorded by
[redacted] Los Angeles,
by the employees of the Escoa Corporation, Gardena,
California, and individuals located throughout the United
States set forth. A multi-frequency tone device was used
in placing these calls. [redacted]b6
b7C
b7D

- P* -

DETAILS:

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <u>LOS ANGELES</u>	OFFICE OF ORIGIN <u>LOS ANGELES</u>	DATE <u>2/26/68</u>	INVESTIGATIVE PERIOD <u>1/15/68 - 2/16/68</u>
TITLE OF CASE JOSEPH PETER SOLDIS; CARL LOVELACE CLEMENT	REPORT MADE BY [redacted]	TYPED BY <u>les</u>	
	CHARACTER OF CASE FBW	<i>Jf 1-1</i>	

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REFERENCE: Report of SA [redacted] dated 4/31/67, at N1
Los Angeles.

- P -

ADMINISTRATIVE

On 1/15/68, AUSA DAVID R. NISSEN advised that the Ninth Circuit, in effect, ruled that the District Court erred in case entitled [redacted] aka; ET AL; ITWI; FBW - CONSPIRACY" in admitting into evidence the tape recordings involved in the trial, because the telephone company monitored [redacted] telephone excessively.

AUSA NISSEN stated that he believes there is a possibility that cases involving SOLDIS, CLEMENT, and [redacted] can be successfully prosecuted if there is sufficient evidence

ACCOMPLISHMENTS CLAIMED					ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS		
						PENDING OVER ONE YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO
						PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input type="checkbox"/> NO

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW		
COPIES MADE: <i>[Signature]</i>		<i>166</i>	<i>1765</i>	<i>238</i>
				<i>REC-44</i>

- (3) - Bureau (166-1765)
1 - USA, Los Angeles
2 - Los Angeles (166-507)

<i>REC-44</i>	<i>82-103</i>
<i>4 FEB 29 1968</i>	
<i>[Signature]</i>	<i>[Signature]</i>

Dissemination Record of Attached Report				
Agency	DEPT. RAO			
Request Recd.				
Date Fwd.	3-13-68			
How Fwd.	MAILED			
By	DEPT. RAO			

Notations
<i>[Handwritten signatures and initials]</i>

LA 166-507

available exclusively of the tape recordings reflecting the telephone company's monitoring of telephones used by these individuals. He requested that information concerning these individuals be reviewed and that he would discuss the cases at a subsequent date with agents.

On February 8, 1968, AUSA NISSEN was contacted by SA's BURL F. JOHNSON and ROBERT F. JACOBS concerning the cases mentioned above. NISSEN requested that a report be prepared containing results of telephone print outs which reflect calls made from telephones available to SOLDIS, CLEMENT, and [redacted] to long distance telephone information service. He also requested that consideration be given to obtaining a subpoena call for the production of telephone records maintained by these individuals during the pertinent period as well as records maintained by the telephone company.

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LEADS:

LOS ANGELES

AT LOS ANGELES, CALIFORNIA: Will obtain subpoena requesting production of telephone records concerning [redacted] Corporation from both the company and [redacted] Company.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of:
Date:[redacted]
2/26/68

Office: Los Angeles, California

Field Office File #: 166-507

Bureau File #: 166-1765

Title: JOSEPH PETER SOLDIS;
CARL LOVELACE CLEMENT

Character: FRAUD BY WIRE

Synopsis: In 1966, [redacted] furnished a print out of calls made to distant information operators from telephone then listed to the Escoa Corporation, Gardena, California. The print out of these calls are set forth.

- P -

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b7DDETAILS:

On April 26, 1966, an official of [redacted] Los Angeles, California, furnished a print out of calls made to distant information operators from telephones [redacted] which

[redacted] Gardena, California. This record indicates that numerous calls were made from these telephones ranging in duration from one minute to 177 minutes. The calls are listed below:

LA 166-507

On February 16, 1968, [redacted] Special Agent, [redacted] Los Angeles, California, advised that telephone number [redacted] is the number assigned to the information throughout the United States. He stated that the last column in the print out labeled "TO NPA" is the area code to which the various calls were placed.

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN LOS ANGELES	DATE 3/6/68	INVESTIGATIVE PERIOD 1/15/68 - 2/16/68
TITLE OF CASE [redacted]		[redacted] aka [redacted] TYPED BY mmc	
		CHARACTER OF CASE ITAR - FBW	

g: REFERENCES: Report of SA [redacted] dated
10/23/67 at Los Angeles.

- P -

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ADMINISTRATIVE

On 1/15/68, AUSA DAVID R. NISSEN advised that the Ninth Circuit, in effect, ruled that the District Court erred in case entitled [redacted] aka; ET AL; ITWI; FBW - CONSPIRACY" in admitting into evidence the tape recordings involved in the trial, because the telephone company monitored [redacted] telephone excessively.

AUSA NISSEN stated that he believes there is a possibility that cases involving JOSEPH PETER SOLDIS, CARL LOVELACE CLEMENT, an [redacted] can be successfully

ACCOMPLISHMENTS CLAIMED						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
[initials]							PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
							PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED [Signature]	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:		166-1765-242	REC-23
(3) - Bureau (166-1765) 1 - USA, Los Angeles (AUSA NISSEN) 2 - Los Angeles (166-505)		12 MAR 11 1968	

Dissemination Record of Attached Report		Notations <i>NIC</i>
Agency	2	
Request Recd.	" CC, AAG, Criminal Division,	
Date Fwd.	Organized Crime & Racketeering Section	
How Fwd.	Room 204	
By		

79 MAR 15 1968

3/11/68
p:

LA 166-505

prosecuted if there is sufficient evidence available exclusively of the tape recordings reflecting the telephone company's monitoring of telephones used by these individuals. He requested that information concerning these individuals be reviewed and that he would discuss the cases at a subsequent date with Agents.

On 2/8/68, AUSA NISSEN was contacted by SA's BURL F. JOHNSON and ROBERT F. JACOBS concerning the cases mentioned above. NISSEN requested that a report be prepared containing results of telephone printouts which reflect calls made from telephones available to SOLDIS, CLEMENT and [redacted] to long distance telephone information service. He also requested that consideration be given to obtaining a subpoena [redacted]
[redacted]

LEADS

LOS ANGELES

AT BEVERLY HILLS CALIFORNIA Will obtain subpoena requesting [redacted]

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AT LOS ANGELES, CALIFORNIA. Will obtain subpoena requesting production of [redacted]

[redacted] during period covered by print out information.

- B* -
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles
(Attention AUSA DAVID R. NISSEN)
[redacted]

Report of: [redacted] Office: Los Angeles, California
Date: 3/6/68

Field Office File #: 166-505 Bureau File #: 166-1765
[redacted]

Title: [redacted]

Character: INTERSTATE TRANSPORTATION IN AID OF RACKETEERING -
FRAUD BY WIRE
[redacted]

Synopsis: In 1966, [redacted] furnished
a print out of calls made to distant information
operators from telephone then listed to the
[redacted] California.
The print out of these calls are set forth.

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DETAILS:

On May 18, 1966, an official of [redacted]
Los Angeles, California furnished [redacted]
[redacted]

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765)

DATE: 4/30/68

FROM : *[Signature]* SAC, LOS ANGELES (166-507) (P)

SUBJECT: JOSEPH PETER SOLDIS;
CARL LOVELACE CLEMENT
FBW.
OO: Los Angeles

N.C. 10

Rerep of SA [redacted] at Los Angeles dated
2/26/68.

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This case has been reassigned from AUSA DAVID R. NISSEN to AUSA MICHAEL DE FEO for prosecutive action.

On 4/29/68, SA [redacted] concluded a review and discussion of this case with AUSA DE FEO. Mr. DE FEO advised that he intends to again present this matter to a Federal Grand Jury (FGJ) at Los Angeles in the near future. It is his intention to base prosecution of CLEMENT on the testimony of live witnesses and [redacted].

[redacted] No tape recordings will be used. Mr. DE FEO doubts that sufficient evidence is available to successfully prosecute [redacted].

AUSA DE FEO prefers to subpoena [redacted] before the FGJ. The lead set forth in rerep to obtain a subpoena for these records is not being covered.

The Bureau will be kept advised of prosecutive action.

EX-110
REC-23

166-1765 248

10 MAY 2 1968

② - Bureau
2 - Los Angeles

REJ/clp
(4)

70 MAY 10 1968

SGT
MM
N.D.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN LOS ANGELES	DATE 10/28/68	INVESTIGATIVE PERIOD 4/23 - 10/10/68
TITLE OF CASE JOSEPH PETER SOLDIS; CARL LOVELACE CLEMENT;		REPORT MADE BY [redacted]	TYPED BY rj
		CHARACTER OF CASE FBW	
		b6 b7C b7D	

et

REFERENCES: Report of SA [redacted] at Los Angeles, WPC 10
dated 2/26/68. -230
Los Angeles letter to Bureau, dated 4/30/68. 248

- C -

ADMINISTRATIVE

The period of this report includes numerous contacts with the Office of the United States Attorney, Los Angeles, concerning prosecutive action in this matter.

On 9/26/68, Assistant United States Attorney MICHAEL DE FEO met with representatives of the Chief Special Agent's Office [redacted] Los Angeles, and the telephone company legal counsel concerning

ACCOMPLISHMENTS CLAIMED NONE					ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
						PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
REPORT MADE: ③ - Bureau (166-1765) 1 - USA, Los Angeles (Attn: MICHAEL DE FEO) 1 - Los Angeles (166-507)	166-1765- [redacted] 6 NOV 1-1968	260 REC-68 EX-106	

Dissemination Record of Attached Report					Notations <i>[Handwritten signatures and initials]</i>
Agency					
Request Recd.	3/5				
Date Fwd.					
How Fwd.	54 NOV-7 1968				
By					

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles
(Attn: AUSA MICHAEL DE FEO)

Report of: [redacted] **Office:** Los Angeles, California
Date: 10/26/68

Field Office File #: 166-507 **Bureau File #:** 166-1765

Title: JOSEPH PETER SOLDIS;
CARL LOVELACE CLEMENT;

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b7c

Character: FRAUD BY WIRE

Synopsis: AUSA MICHAEL DE FEO declined prosecution of SOLDIS and CLEMENT.

- C -

DETAILS

On August 10, 1968, Assistant United States Attorney MICHAEL DE FEO, Los Angeles, advised SA [redacted] that he had reviewed the cases involving SOLDIS and CLEMENT.

Mr. DE FEO declined any further consideration of prosecution of SOLDIS because all evidence against him in this matter arose from the monitoring of his telephone calls by telephone company personnel. This would probably result in suppression of evidence following the adverse ruling by the Ninth Circuit Court of Appeals in the case entitled, [redacted]
[redacted] also known as; ET AL; Interstate Transmission of Wagering Paraphernalia; Fraud by Wire - Conspiracy.

With regards to CARL CLEMENT, Mr. DE FEO declined prosecution because:

1. Monitoring of CLEMENT's telephone conversations by telephone company employees, which would probably result in adverse ruling by the Ninth Circuit Court of Appeals as in the case of [redacted] (pra).

LA 166-507

2. Unavailability of pertinent telephone toll records prior to November 1965.

3. Due to the delay in prosecutive action and lack of prosecutive appeal.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN LOS ANGELES	DATE 10/28/68	INVESTIGATIVE PERIOD 4/23 - 10/10/68
TITLE OF CASE JOSEPH PETER SOLDIS; CARL LOVELACE CLEMENT;		REPORT MADE BY [REDACTED]	TYPED BY b6 b7c rj
		CHARACTER OF CASE FBW	

REFERENCES: Report of SA [REDACTED] at Los Angeles,
dated 2/26/68.
Los Angeles letter to Bureau, dated 4/30/68.

- C -

ADMINISTRATIVE

The period of this report includes numerous contacts with the Office of the United States Attorney, Los Angeles, concerning prosecutive action in this matter.

On 9/26/68, Assistant United States Attorney MICHAEL DE FEO met with representatives of the Chief Special Agent's Office, Pacific Telephone and Telegraph Office, Los Angeles, and the telephone company legal counsel concerning

ACCOMPLISHMENTS CLAIMED NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW			
COPIES MADE: ③ - Bureau (166-1765) 1 - USA, Los Angeles (Attn: MICHAEL DE FEO) 1 - Los Angeles (166-507)					

Dissemination Record of Attached Report					Notations
Agency					
Request Recd.					
Date Fwd.					
How Fwd.					
By					

LA 166-507

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this case and other "blue box" cases submitted by the telephone company at the same time.

The matter of the Civil Suit against the telephone company by [REDACTED] in the amount of [REDACTED] [REDACTED] in 5/9/68, was discussed. It was concluded that in view of the adverse decision in a case entitled [REDACTED] ET AL, ITWI; FBW - CONSPIRACY", upon which the Civil Suit was based, prosecutive action in other related cases would probably result in Civil Suits against the telephone company. In addition, it was felt that it would be more desirable to test the FBW Statute in new "blue box" cases developed with evidence not tainted with the recording of the subject's telephone conversations. It was the opinion of the telephone company that new cases will be developed in the near future.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765)

FROM : SAC, LOS ANGELES (166-462)

SUBJECT: [REDACTED]

DATE: 1/31/69

ET AL
ITWI; FBW - CONSPIRACY

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b7C

M254 Re report of SA [REDACTED] t Los Angeles
dated 6/3/68 captioned [REDACTED]
DAVIS - FUGITIVE; ET AL; ITWI; FBW - CONSPIRACY."

Prosecution on several so-called "Blue Box" cases arising out of the [REDACTED] ET AL case, as set forth in referenced report, has been held in abeyance pending a decision by U. S. District Court Judge ALBERT LEE STEPHENS, JR. at Los Angeles as to the admissibility of telephone company recordings against individuals associated with [REDACTED] in interstate gambling. Judge STEPHENS has ruled to suppress these recordings on the basis of illegal monitoring and in the absence of any other evidence on the part of the Government, has dismissed the indictments on all of these cases.

- (2) Bureau
1 - Atlanta (166-182)(Info)
1 - Baltimore (166-447)(Info)
1 - Charlotte (162-185)(Info)
1 - Memphis (166-329)(Info)
1 - Miami (166-359)(Info)
1 - New Orleans (166-87)(Info)
1 - Newark (166-553)(Info)
15 - Los Angeles
(1 - 166-508)
(1 - 166-514)
(1 - 166-516)
(1 - 166-534)
(1 - 166-586)
(1 - 166-607)
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(1 - 166-614)

EBD/bje
(24)

FEB 20 1969 PGP

EX-113

REC'D 22 FEB 4 1969

166-1765-262

N.D.
FBI - Los Angeles

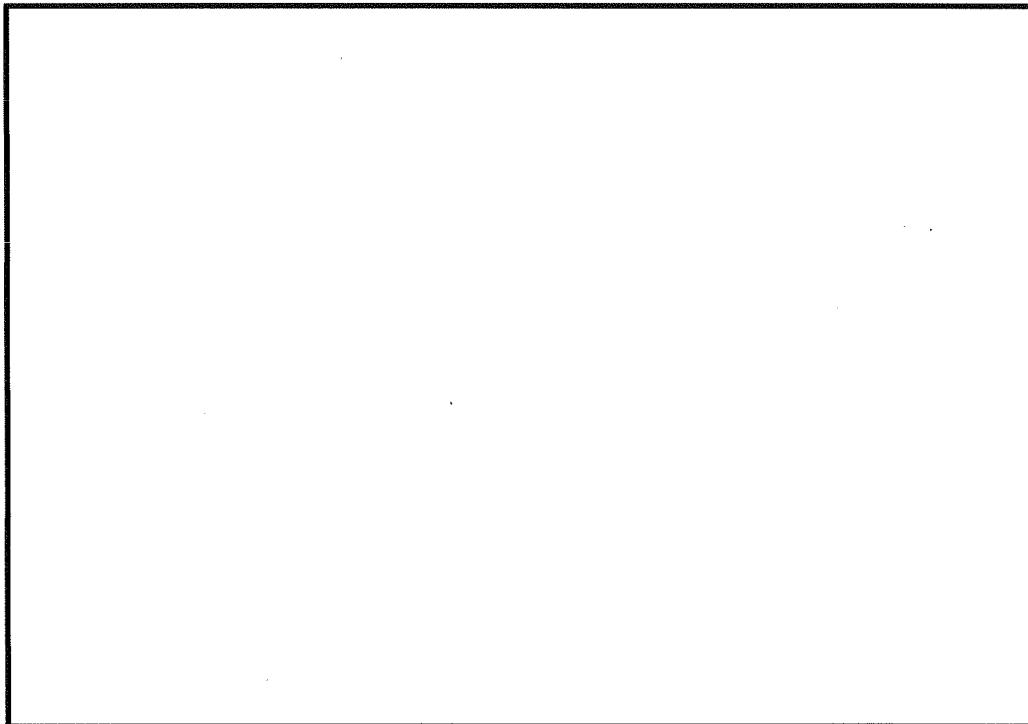
SFX

LA 166-462

Assistant U. S. Attorney DAVID R. NISSEN on 1/28/69 advised that he intends to request the Solicitor General to approve the filing of a notice of appeal to appeal Judge STEPHENS' decision to the Ninth Circuit U. S. Court of Appeals. AUSA NISSEN contends that although the Ninth Circuit ~~reversed~~ a U. S. District Court at Los Angeles conviction of [REDACTED] on the grounds of his telephone calls were monitored over a three month period, which was considered by the Appellant Court as excessive, the other individuals involved in these indictments were in contact with [REDACTED] only at a maximum of a four day period and, therefore, the basis of the [REDACTED] reversal is not applicable to these other cases.

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AUSA NISSEN intends to appeal only the following cases:

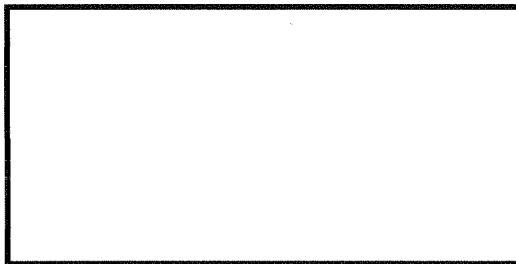


LA 166-462

Information copies of this letter being submitted to designated offices because of their previous interest in these subjects.

The Los Angeles Office will continue the above cases in a pending inactive status. All other cases arising out of the initial "Blue Box" cases will be closed.

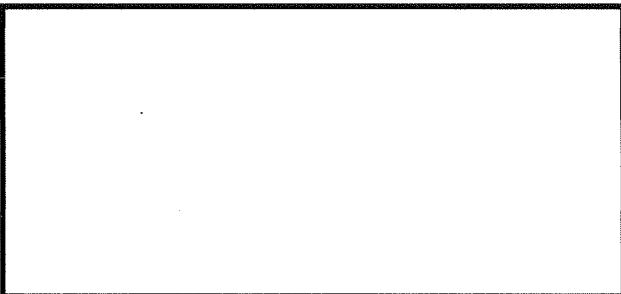
In view of the above, Los Angeles will close the following cases:



LA 166-516
GRAY HOFFMAN
FBW

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LEADS



LOS ANGELES

AT LOS ANGELES, CALIFORNIA. Will review records at the U. S. Attorney's Office, Los Angeles, regarding warrant status on [redacted]

[redacted] Arrange for their dismissal and submit disposition sheets.

(2) Will ascertain status of indictment against VIRGIL HAL SALATHIEL, LA 166-534, and submit disposition sheet if dismissed.